



**DOERR DALLAS
VALUATIONS**



Ben Hanly
Modern and Contemporary
Art Specialist

ART ON YACHTS

What art to put in your super yacht and how to look after it, might seem to be the ultimate in first world problems, but due to the ever-increasing growth of the yacht market, these questions are fast being real issues for many UHNW individuals, with a knock-on effect for the insurance industry.

Ownership of a luxurious super yacht has become the new status symbol for the ultra-wealthy, overtaking ownership of a private jet which was the status symbol of 90s and early 2000s. The ability to cruise the Caribbean or the Mediterranean in total privacy in your own floating hotel, whilst simultaneously advertising loudly your enormous wealth carries much appeal to many ultra-wealthy.



Once you have your new super yacht – the decision of what you put in it in terms of artwork is the next challenge – the interiors must match the exterior in the glamour stakes! But housing art on a yacht in a maritime environment brings with it a unique set of concerns and issues – from theft to damage, from casual mishandling by inexperienced staff to the effect of salt in the atmosphere. There are a number of issues which need to be considered from the start when housing art on a yacht.

How to Protect Artwork on Board

With the strength of the art market pushing values ever upwards, it is not unusual for the value of art on board a super yacht to be worth millions of pounds. It is, therefore, essential that owners consider how best to protect their collection on board from damage, bearing in mind that a maritime environment brings with it a unique set of conditions which need to be taken into account. Clearly the most obvious of these factors are 'physical forces', such as the variable levels of movement caused by waves and wind. Other factors which can damage or harm artwork on board include:

- Temperature variations
- Excessive light and UV
- Excessive humidity and salt
- Pests
- Pollutants
- Water damage
- Fire hazards
- Thieves and vandals
- Dissociation (the loss of information surrounding the object's provenance or history)

The air quality and temperature within each room is important: humidity is bad for art, as is salt, air and direct sunlight - you always have to be aware of humidity and heat on board. The most effective way to counter these threats is to try to maintain as stable an environment on boards as possible. Luckily, modern super yachts are now designed with air-conditioning, lighting and humidity control systems that rival those found in art galleries.

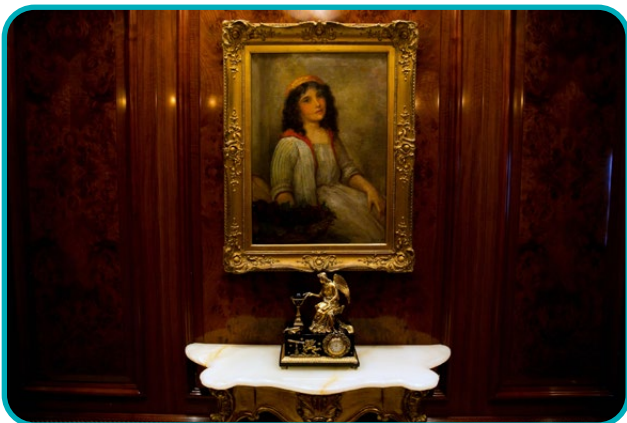
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As 'physical forces' like movement and vibrations are significantly greater at sea, on board artwork must be securely fastened to the yacht or hung with museum glue for extra secure installation. It is also important that owners consider the salinity of the air at sea and how this could affect artworks. In many cases, bespoke framing and cases can help prevent light and external damages as well – the purpose being to create as adding harmonious an environment on board as possible.

Installing Artwork on Yachts Correctly to Reduce the Risk of Damage

Installing artwork on board a moving boat is considerably more complicated than hanging a work of art in a static environment. It is not possible to simply hang a painting on board, not as simple as installing in a client's house – it needs to be screwed to the wall and secured against sudden movement. The same applies for sculptures and objects, which all need to be fixed firmly and securely. Here 'museum glue' comes into play and – it is a clear product that fixes objects to surfaces (though not irrevocably) to stop them shifting in a swell.



Insurance and Security

A working alarm system is an obvious starting point and essential to gain insurance cover. Similarly, special alarm systems which alert the crew to atmospheric changes may be required for higher value collections.



Marine insurance policies are rarely standardised and general marine insurances will not normally cover artwork as a norm, so owners need to insure their artwork on board with a separate and specialist art policy. These policies often require an annual renewal inspection of both the artwork and the general environment in which it is housed, due to the specific nature of the environment on board a ship. Insurance companies generally expect owners to employ a professional art management service to guarantee maximum protection where all possible negative influences are avoided from day one.



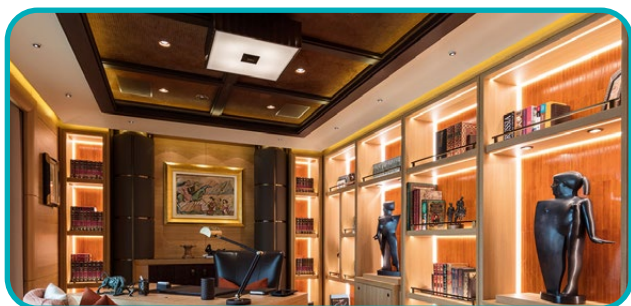
It should also be remembered that many contain geographical navigational limits. Beyond such limits, the yacht will be off-cover unintentionally.

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Other insurance clauses for art and super yacht owners to consider is that rules and taxation brackets vary between countries, with artwork to be imported and taxed under a 'temporary admission basis.' Different import tariffs apply depending on where the ship is physically when the artwork is imported and loaded on board. It is in the owner's best interests to understand these variations as it will cost dearly if they get it wrong. Import tax rates for importing art in the EU and UK vary from 5% to 13% - a mistake in where art importation is registered can cost dearly.



Often these actions are not complicated, and in some cases, they are just common sense, however, if all crew members are made aware of potential threats to artwork, then the risk of expensive mistakes is mitigated. Simple measures such as wearing art handling gloves, and knowing how to carry and store paintings efficiently sound basic but it's at the core of successful collection management. Equally important is training in what to do in the event of an accident - often more damage can be done unwittingly post-accident than the accident itself. In most cases the less that is done to an object or artwork after an accident is better in the long run. Staying calm and assessing the situation before diving in is always recommended. The first point to note is that the crew should generally do absolutely nothing. Trying to fix something without the requisite skills can make matters worse.



Strict insurance requirements mean that even museums must fulfil high standards before important pieces are allowed to be shown and the same applies for a super yacht. As a rule of thumb, the more expensive the artwork, the more attention needs to be given to how it is transported, stored and displayed.

Staff Training

Damage to artwork by accident or mishap is one of the most common causes of insurance claims on artwork housed on a vessel. This is not surprising when one considers that most people have very limited experience in how to handle artwork. The scope for costly accidents to happen as a result of unintentional negligence is high and the most efficient way to counter this is to ensure that all staff receive specialist training on how to handle various types of artworks and what to do should an accident happen.



There are a number of companies who can arrange flexible training course in on board collection management – most notably the UK based company 'Art on Superyachts'. Courses can be developed which are both flexible and modular, which give an overview of the art world, the art market and what is involved in the study of art history. Additional art handling modules teach the management, care and handling of valuable objects on board along with the full scope of collectors' services. The cost of focused training for yacht crews is a very wise investment for any yacht and art owner to make. Ultimately, awareness and vigilance are the key to protecting any on board art collections.



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